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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/23/08

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ARTICLES:

- (1) Ruling, opposition blocs in tug of war over extra Diet session

The Diet is expected to enter into an extraordinary session this fall. The question for the ruling Liberal Democratic Party and its coalition partner, New Komeito, is when to kick off the game. Concerning this Diet calendar, LDP and New Komeito lawmakers in the House of Councillors are calling for moving back its convocation. They say it should be convened in late September. Meanwhile, the government and the LDP leadership in the House of Representatives want the kickoff for late August. In the opposition-controlled upper chamber, however, LDP and New Komeito executives want to put off this fall's Diet battle, because they do not want to be under fire from the leading opposition Democratic Party of Japan (Minshuto) in a very long session.

The government and the LDP on the lower chamber's side want to convoke the extraordinary Diet session in late August, because they do not want the Diet to be thrown into confusion in December when the government will be in the final stretch to compile the budget for fiscal 2009.

Meanwhile, the Maritime Self-Defense Force has been on a refueling mission in the Indian Ocean under a new antiterrorism special measures law. This law, however, is to run out on Jan. 15 next year. The government and the ruling coalition intend to extend the MSDF mission there, so they will present a bill seeking to revise the law when the extraordinary Diet session sets in.

The new refueling law was enacted in January this year. At that

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time, the DPJ was opposed to the new refueling law. The DPJ then put off Diet deliberations on this new refueling legislation in the House of Councillors for nearly 60 days after it cleared the House of Representatives. The Constitution stipulates that a bill passed by the House of Representatives will be regarded as being rejected by the House of Councillors and will become law if the House of Councillors rejects or does not vote on it within 60 days after it was sent from the House of Representatives and if it is approved by the House of Representatives in a second vote with a majority of two-thirds of those present. Given this fact, the DPJ is highly likely to put up all-out resistance to revising the new refueling law.

The government and the ruling coalition therefore plan to take a second vote in the House of Representatives in late November to enact the new refueling legislation. The ruling coalition expects to deliberate on the legislation for about a month in the House of Representatives and 60 days in the House of Councillors, after which it can be regarded as being rejected by the House of Councillors. Based on this timeframe, the government and the ruling coalition are planning to convene the extraordinary Diet session in late August, substantially earlier than in usual years.

In the House of Councillors, however, some LDP lawmakers and New Komeito are calling for convening the extraordinary Diet session after Sept. 21, when the DPJ is slated to hold a presidential election. "We don't have to be in a hurry to convene the extra Diet session," says Hidehisa Otsuji, who heads the LDP's caucus in the House of Councillors.

Meanwhile, the DPJ is now gearing up its offensive toward the LDP-led coalition in an attempt to push Prime Minister Fukuda to dissolve the House of Representatives for a general election. The LDP does not want to give the DPJ much time for a challenge. This is the primary reason. For another, the DPJ has implied that it will summon former New Komeito Secretary General Junya Yano, who has instituted a lawsuit against Soka Gakkai, the nation's largest lay Buddhist group backing New Komeito. This also seems to have had repercussions.

(2) Additional cuts in public works: Ruling parties already opposing proposal; Full coordination on estimated budget request guidelines starts

NIKKEI (Page 2) (Excerpts)  
July 23, 2008

The government and the ruling parties have begun full coordination for the compilation of guidelines for estimated budget requests for fiscal 2009. The Finance Ministry has come up with a policy of procuring funds to finance a prioritized framework for measures to address a shortage of doctors by increasing cuts in public works. Some ruling party members are already opposing the Finance Ministry's proposal. The government is expected to approve the draft guidelines at a cabinet meeting on July 29. However, a final settlement is unlikely to be reached until the year-end budget compilation.

The prime minister at a meeting of the Council on Economic and Fiscal Policy on July 22 noted, "It is not easy to strike a balance between strengthening growth and achieving sound finances. However, Japan has no choice but to follow this difficult path."

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Finance Minister Fukushima Nukaga has revealed a policy of keeping firm the spending cut policy line, including constraining 220 billion yen in social security expenses, while increasing spending by up to 30 billion yen for measures to address a shortage of doctors and global warming from the 50 billion yen set aside this fiscal year. He is determined to come up with the necessary funds by increasing spending cuts in discretionary expenses, such as public works and defense expenditures by 2 PERCENT .

The prioritized framework is a desperate measure to strike a balance between Prime Minister Fukuda's policy stamp and sound finances. However, this measure could make an enemy of policy experts in the Liberal Democratic Party (LDP). The ruling camp, which is concerned about a dissolution of the Lower House for a snap election, is deeply dissatisfied with the Finance Ministry's plan.

Fierce criticism of the estimated budget request guidelines was heard at a plenary meeting of the LDP Policy Research Council on July 22, with one participant noting, "The business slump in the construction industry is caused by policy. The LDP will not be able to hold itself together if cuts in public works expenditures are stepped up to more than 3 PERCENT ." Another participant predicted, "If subsidies for private schools are slashed, it will be impossible to run the schools." If discretionary expenditures appropriated to each government agency are uniformly slashed by 2 PERCENT , the margin of cuts in public works would expand from the previous 3 PERCENT cut a year to 5 PERCENT .

(3) Editorial: We welcome cabinet shuffle with Lower House dissolution in mind

MAINICHI (Page 5) (Full)  
July 23, 2008

Prime Minister Yasuo Fukuda returned to work on July 22 after finishing his summer vacation. Ruling camp members have a strong interest in a cabinet shuffle. Before making a decision on whether to shuffle the cabinet, Prime Minister Yasuo Fukuda needs to make clearer the aim of his cabinet. Fukuda should not evade a dissolution of the House of Representatives for a snap election. We welcome a cabinet shuffle that is aimed at Lower House dissolution.

Even after the Group of Eight (G-8) summit in Hokkaido was over, the approval rating for the Fukuda cabinet has remained low, nearly unchanged. Therefore, there is a possibility that a cabinet shuffle will turn around the situation. Most of the Fukuda cabinet members were kept on from the cabinet of former Prime Minister Shinzo Abe. So, Fukuda may want to form a cabinet that could be called his own.

Fukuda should be aware that just changing the roster of his cabinet members cannot ease public distrust of politics. In case a scandal involving a new cabinet minister is discovered, the Fukuda administration will run into a crisis. As Fukuda has acknowledged that the first thing to do is to make clear what he should do. A cabinet shuffle is a step toward that end. The Fukuda cabinet's

support rating would rise after showing such an effort to the public.

It is true that Fukuda has led a debate on a policy of placing priority on average people and consumers. He plans to submit to the next extra session a bill establishing a Consumer Affairs Agency and

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other related bills. However, a move going against Fukuda's plan is now appearing in the ruling camp. For example, some members are calling for putting off convening the extra Diet session to mid-September from the planned late August.

Such urgent political issues as soaring gasoline and food prices, as well as serious fisheries issues are closely related to the daily lives of people. However, some members are reluctant to convene the extra session soon, with one saying: "An early convocation of the extra session will give the opposition a chance to grill the government, as well as encourage lively the campaigning for the presidential election of the Democratic Party of Japan (DPJ). The official campaign will start on Sept. 8.

The public will not accept such a view.

Fukuda's tendency to put off difficult issues has become stronger. He has already toned down his argument on a consumption tax hike. Even some have rumored that the Fukuda government may postpone a plan to increase the government's share of basic pensions to 50 PERCENT in 2009. Meanwhile, the government has not pushed ahead with the work of reducing the wasteful use of tax revenues.

We cannot see what Fukuda wants to do. He seems unable to do anything, anyway. The divided Diet is not the only reason for preventing the government's moves. The major reason may be that the Fukuda government has yet to receive the judgment of the people. It is difficult for such a government to carry out its policies.

If the Lower House dissolution is put off even after the cabinet is shuffled, there will be no change in the situation. We suggest Fukuda and the ruling coalition prepare for Lower House dissolution and general elections after a cabinet shuffle.

#### (4) Questioning the Japan-U.S. alliance

MAINICHI (Page 8) (Abridged slightly)  
July 20, 2008

Major points of the dialogue:

- ? What is the implication of a series of incidents by U.S. service members in Japan?
- ? Should the SOFA be revised?
- ? How should the government respond to the relocation of Futenma Air Station?
- ? What kind of alliance should the Japan-U.S. alliance be in the future?

Senior Vice-Foreign Minister Itsunori Onodera -- United States' policy toward Japan positive

A series of criminal cases involving U.S. service members in Japan has substantially worried the residents near the bases. The incidents have made it difficult to look calmly at the environment surrounding the Japan-U.S. alliance.

At the same time, the Japan-U.S. Joint Committee to discuss the use of U.S. bases in Japan and the status of U.S. service members has been functioning well. In the wake of the murder-robbery of a taxi driver in Yokosuka, a system has been established to report all U.S. military deserters to Japan. The United States has dealt with Japan quite positively in comparison to the similar pacts the United

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States has concluded with other countries.

The LDP and New Komeito that support the governor in U.S. force realignment have now become a minority in the Okinawa prefectural assembly. This means responses must be more careful than before. We would like to deal with the matter while taking into account Okinawa's request for moving into the sea the envisaged Futenma replacement facility. We also intend to discuss with the affected municipalities what specifically can be done to eliminate the danger of Futenma Air Station.

The Japan-U.S. alliance has deepened in various fields and has long history, as well. Some people are concerned about Japan-U.S. relations because the United States has decided to delist North Korea as a state sponsor of terrorism. At the same time, I am certain that they are aware that the abduction issue will not be resolved without the cooperation of the United States. I also believe that for the United States, the strategic importance of Japan as an ally has increased in the Far East where Russia and China's military expansion is evident.

The United States' policy toward Japan will probably not change drastically, regardless of who becomes the new U.S. president, Senator Obama or Senator McCain. Then again, how to deal with the United States and Japan's foreign policy might change subtly depending on how the new U.S. administration is going to deal with Iraq, Iran, and Afghanistan. The Japan-U.S. alliance has always been around like air, but we should not take it for granted. We must make efforts to make the United States understand Japan's standpoint and to confirm the importance of Japan-U.S. relations.

DPJ shadow cabinet senior vice-foreign minister Koichi Takemasa -- SOFA must be revised into pact of equality

On August 13, 2004, a U.S. military helicopter crashed on the campus grounds of Okinawa International University. When I visited the accident site three days later, the fuselage had been removed by the U.S. military, and prefectural police officers were looking at the site from afar. I thought, "What happened to Japan's sovereignty? Is this really Japan?" A similar accident could occur anywhere in Japan. The Japan-U.S. Status of Forces Agreement (SOFA) must be revised. The accident became my major turning point.

In February this year, a middle school girl was sexually assaulted by a U.S. service member living off-base, an unexpected case. It took nearly two weeks for Kanagawa prefectural police to get to question the U.S. serviceman who was believed to have robbed and killed a taxi driver in Yokosuka. The question of the SOFA has been left unaddressed, so three opposition parties -- the Democratic Party of Japan, Social Democratic Party, and the People's New Party -- have drafted a SOFA revision plan.

The government has repeatedly insisted on improving SOFA administration, but the infringement of sovereign must not be allowed. The events were symbolic of this country's diplomacy, in which Japan does not say what should be said. The DPJ, representing a sovereign state, will always say what it has to say to the United States. The Japan-U.S. alliance will remain the cornerstone of Japan's foreign policy.

Okinawa Governor Hirokazu Nakaima has repeatedly asked for a revision of the SOFA at all costs. Okinawa hosts the bulk of U.S.

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bases in Japan, so there are dangerous factors and strong concerns in the prefecture. U.S. bases play a major role in the Japan-U.S. alliance. One cannot try too hard to understand the pain as one's own.

In June, I attended the U.S.-Japan Legislative Exchange Program and explained the SOFA revision plan. I was urged by U.S. counterparts between meetings to let them know if there were any calls in Japan for revising the SOFA. The Foreign Ministry had told me that U.S. Congress was opposed to revising the pact, but I felt the need to exchange views move actively between lawmakers of the two countries.

In addition to the SOFA revision plan, our party has produced an

"Okinawa Vision" tha spells out the need to relocate Futenma Air Station out of Okinawa and eventually out of Japan. We are also considering including it in our manifesto for the next Lower House election. A plan to relocate the base to the Henoko district has been stalled. Even if the plan moves forward, it would be several years before the functions are completely relocated there. The danger of Futenma Air Station before then cannot be left unaddressed. There is every reason to explore ways to relocate it to a site outside the prefecture and eventually outside Japan.

(5) Editorial: Removing base from prefecture is only way to settle Futenma relocation issue

RYUKYU SHIMPO (Page 5) (Full)  
July 20, 2008

How long is the government going to use cheap tricks? It has been nearly 12 years since the Japan-U.S. Special Committee on Okinawa (SACO) reached an agreement in 1996 to return the U.S. Marine Corps' Futenma Air Station to Japan in five to seven years. Work is proceeding slowly. It is natural to think the plan has flaws.

The Japanese government apparently does not think so. The government has clearly exhibited a stance of sticking to its original plan.

The establishment of two working teams was decided in the July 18 meeting of the Futenma relocation consultative council (presided over by Chief Cabinet Secretary Nobutaka Machimura) composed of the central government and affected municipalities. One is to study ways to eliminate the danger of Futenma Air Station, and the other is to mull a replacement facility construction plan. The decision reportedly takes into account Governor Hirokazu Nakaima's call for effectively closing down Futenma Air Station in three years and for moving offshore the envisaged replacement facility.

The government has effectively ignored the two requests all this time. What prompted the government to take "a step forward," as Governor Nakaima put it? There is no doubt that it is ascribable to the fact that the prefectural assembly is now controlled by the opposition bloc. The decision also alludes to the government's intention to give heed to popular will.

If the government is truly mindful of popular will, it should go a step further. Incidentally, the Okinawa prefectural assembly that day adopted by a majority of votes an opinion letter and a resolution opposing the construction of the new base in the Henoko district. There must be no objection to equating the assembly's wishes with the popular will.

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The matter must be returned to the starting point. Why is the return of Futenma Air Station being mentioned? Needless to say, that is because of the danger of the air station. Questions have repeatedly been raised about the dangerous aspects of the airfield that sits in the middle of residential areas.

It is still fresh in our memories that in November 2003, then U.S. Secretary of Defense Donald Rumsfeld viewed Futenma Air Station from the air and pointed out the danger of it. As if to prove that, a U.S. military helicopter crashed into Okinawa International University less than a year later. The air station remains dangerous; no one can deny that.

The inability to find a way out of this situation comes clearly from the negligence of lawmakers and the administration.

The matter has become complicated. The reason is simple: The return of Futenma Air Station is based on the relocation of its functions to another site in the prefecture. A dangerous facility remains dangerous no matter where it is relocated.

To resolve the problem, there is no option but to remove the base from the prefecture. In the prefectural assembly, the ruling bloc pressed the opposition camp for a counterproposal. It was absurd. The Japan-U.S. security setup exists to defend the safety of the

people. A base that exists for the security setup puts Okinawa residents at risk. The people of Okinawa are seeking a solution to that paradox. The obligation to settle the matter does not rest with the people of Okinawa but with the governments of Japan and the United States.

(6) Interview with U.S. Supreme Court Associate Justice Stephen Breyer: Ten months to go until introduction of citizen-judge system in Japan; More impartiality of trial with involvement of citizens

TOKYO SHIMBUN (Page 3) (Full)  
July 23, 2008

Preparations for the introduction of a lay judge system next May are under way, as can be seen in the holding of a mock trial involving lay judges at the Tokyo District Court, which started on July 22. The Tokyo Shimbun asked U.S. Supreme Court Associate Justice Stephen Breyer (69), now visiting Japan, about the meaning and impact of citizens being involved in trials. The U.S. jury system, which allows citizens to be involved in the judicial process, has a history of 200 years.

Even a judge can serve as jury

-- Is it difficult to realize the involvement of citizens in the judicial process?

"No, it isn't. Citizens are expected to take part in the judicial process in the U.S. They actually participate in the process and are satisfied with the results. I incidentally was also satisfied when I served on a jury. When I was a judge of the federal appeals court, which is equivalent to Japan's high court, I served on a jury at a district court in my native state. Though it may be prohibited in Japan (under the Japanese lay judge system), it is possible for judges to serve on a jury in Massachusetts.

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Juries have their own views. They handed down a guilty verdict to a defendant who was charged with driving under the influence of alcohol. The judge then sentenced the person to attend a driving school and suspended his driver's license. (U.S. juries just decide whether defendants are guilty or not.) They do not determine appropriate judgments. I am very interested how Japan's lay judge system, under which lay judges also determine appropriate punishments, will work."

-- What impact has the jury system had on the American society?

In my view, the jury system has had a positive impact on the American society. Courts are a venue for judges to meet defendants with troubles and listen to whatever they say. Lay juries' involvement in such a setting helps the system work more impartially. Furthermore, trials by juries are a good venue to teach citizens the way justice should be carried out.

Impossible to silence juries

-- In Japan, lay judges have a duty to keep deliberating (discussions held between judges and lay judges during a trial process) about their cases. However, juries in the U.S. are not allowed to speak about the details of their deliberations. Why is that?

"It is difficult to silence juries. We know from our experience that there would be no major problems even if they speak about their concerns. In addition, attorneys sometimes learn from juries. In my view, it is better for juries not to reveal confidential discussions. However, there is no way to silence them."

-- You handled the Watergate case in 1972, which forced former President Nixon to step down.

"I worked as an assistant to a special prosecutor (independent of the government) for several months. He was loyal to his job. It is difficult to investigate cases that could bring a serious political

result. However, I learned from that prosecutor that cases like that require cool-headedness and sincerity. We must not protect or hurt someone availing ourselves of our position. It is important to pursue the facts."

-- What do you value as a U.S. Supreme Court associate justice?

"Judgments we have made or will make will have an impact on the U.S. as a whole, where various ethnic groups with different values live together, based on the consensus that they abide by the law. As such, we must not make rigid judgments. Our judgments must be such that help the state stay united.

(7) TOP HEADLINES

Asahi:

Government Tax Commission begins debate to revise inheritance tax

Mainichi, Yomiuri & Sankei:

Woman dies after being stabbed at bookstore in Hachioji

Nikkei & Tokyo Shimbun:

At least 3.9 trillion yen combined fiscal deficit for central and local governments projected for FY2011

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Akahata:

JCP holds lecture meeting on 86th anniversary of founding

(8) EDITORIALS

Asahi:

(1) Heavy security for Beijing Olympics underscores China's serious issues

(2) We need rewarding jobs

Mainichi:

(1) Social unrest in China cannot be resolved by Olympic patriotism

(2) Cabinet shuffle with Lower House dissolution in mind would be welcome

Yomiuri:

(1) Economy white paper sidesteps key issues

(2) Pass down the joy of books

Nikkei:

(1) Structural reform leads to improvement in employment

(2) System failure damages confidence in Tokyo Stock Exchange

Sankei:

(1) Bus explosions in China: Protect security and human rights

(2) Daughter kills father: Need to build good relations between parents and children

Tokyo Shimbun:

(1) Performance-based pay: Don't rob people of their will to work

(2) Arrest of Karadzic: Good opportunity for Balkan stability

Akahata:

(1) Japan must reject U.S. demands for increased military spending

(9) Prime Minister's schedule, July 22

NIKKEI (Page 2) (Full)

July 23, 2008

09:31

Attended an LDP executive meeting at LDP headquarters.

10:00

Attended a cabinet meeting at the Kantei. Afterward met Chief Cabinet Secretary Machimura, followed by Deputy Chief Cabinet Secretary Futahashi.

11:03



Met Economic and Fiscal Policy Minister Ota and Assistant Chief Cabinet Secretary Saka. Ota stayed on.

12:24

Met Machimura.

14:15

Met Cabinet Intelligence Director Mitsuya, followed by Consumer Administration Promotion Minister Kishida.

15:04

Met Ambassador to the European Union Onoda, Ambassador to Kazakhstan

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Natsui, and Ambassador to Malawi Noro.

15:28

Met LDP Reform Headquarters chief Takebe.

16:11

Met LDP Foreign Affairs Research Commission Chairman Yamasaki.

16:31

Attended a meeting of the Council on Economic and Fiscal Policy.

17:37

Met outgoing and incoming vice-environment minister Nishio and Tamura, followed by LDP Secretary General Ibuki.

18:23

Returned to his official residence.

ZUMWALT